

OIL AND GAS LEASE SALE APPROVAL

The Department of Natural Resources and Conservation held an oil and gas lease sale on December 4, 2007, in the Auditorium at the Department of Transportation building. A total of 162 tracts were offered for lease. One hundred sixty two tracts were leased for a total of \$398,052.83. The 162 tracts that were sold covered a total of 71,686.30 acres. The average bid per acre was \$5.55.

The high competitive bid for the December 4th lease sale was \$111.00 per acre for Tract 83 in Pondera County. The largest total bid was \$20,800.00 for Tract 103 in Sheridan County.

The Director requests Land Board approval to issue the leases from the December 4, 2007 sale.

Grants:

Common Schools

Public Buildings

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, 9:00 am, December 4, 2007

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
Big Horn									
1	1, 2, 3, 4, 5, 6	1.N	30.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
2	1, 2, 3, 4, 5, 6	1.N	31.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
3	1, 2, 3, 4, 5, 6, 10	1.N	31.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
4	1, 2, 3, 4, 5, 6, 10	1.N	32.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
5	1, 2, 3, 4, 5, 6	1.N	32.E	23	S2	320.00	\$1.50	\$480.00	RAYMOND C. MUNSON
6	1, 2, 3, 4, 5, 6	1.N	32.E	26	N2	320.00	\$1.50	\$480.00	RAYMOND C. MUNSON
7	1, 2, 3, 4, 5, 6	1.N	32.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
8	1, 2, 3, 4, 5, 6, 11, 13	1.N	33.E	11	Lots 1, 5, 6, 9, SE4NE4, E2SE4, Big Horn Riverbed and related acreage	* 495.00	\$1.50	\$742.50	RAYMOND C. MUNSON
9	1, 2, 3, 4, 5, 6	1.N	33.E	12	W2	* 320.00	\$1.50	\$480.00	RAYMOND C. MUNSON
10	1, 2, 3, 4, 5, 6, 13	1.N	33.E	14	Big Horn Riverbed and related acreage	35.00	\$2.86	\$100.00	RAYMOND C. MUNSON
11	1, 2, 3, 4, 5, 6, 13	1.N	33.E	15	Big Horn Riverbed and related acreage	128.00	\$1.50	\$192.00	RAYMOND C. MUNSON
12	1, 2, 3, 4, 5, 6	1.N	33.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
13	1, 2, 3, 4, 5, 6, 7	1.N	34.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
14	1, 2, 3, 4, 5, 6	1.N	34.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
15	1, 2, 3, 4, 5, 6	1.N	35.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
16	1, 2, 3, 4, 5, 6	1.N	35.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
17	1, 2, 3, 4, 5, 6	1.N	36.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
18	1, 2, 3, 4, 5, 6	1.N	36.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
19	1, 2, 3, 4, 5, 6, 8	1.S	30.E	35	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
20	1, 2, 3, 4, 5, 6	1.S	31.E	21	All	* 640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
21	1, 2, 3, 4, 5, 6, 14	1.S	33.E	16	All	* 640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
22	2, 3, 4, 5, 6, 15	1.S	36.E	6	Lots 1 thru 10, SE4NW4, S2NE4, N2SE4, NE4SW4	626.28	\$1.50	\$939.42	RAYMOND C. MUNSON
Blaine									
23	1, 2, 3, 4, 5, 6, 7	25.N	17.E	36	Lots 1, 4, S2NE4, NE4SE4	196.64	\$2.00	\$393.28	KLABZUBA OIL AND GAS, A FAMILY LIMITED PARTNERSHIP
Carbon									
24	1, 2, 3, 4, 5, 6	3.S	23.E	16	All	640.00	\$10.50	\$6,720.00	STEALTH ENERGY USA, INC.
Carter									
25	1, 2, 3, 4, 5, 6	1.S	62.E	16	All	640.00	\$3.25	\$2,080.00	EMPIRE OIL COMPANY
Fergus									
26	1, 2, 3, 4, 5, 6	12.N	23.E	16	W2NW4, NW4NE4, E2E2, SW4SE4, SW4	* 480.00	\$2.00	\$960.00	GULF WESTERN GEOPHYSICAL, LLC

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
Musselshell									
27	1, 2, 3, 4, 5, 6	7.N	30.E	16	All	640.00	\$2.00	\$1,280.00	GULF WESTERN GEOPHYSICAL, LLC
28	1, 2, 3, 4, 5, 6	7.N	30.E	20	E2	320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
29	1, 2, 3, 4, 5, 6	8.N	23.E	16	All	640.00	\$1.75	\$1,120.00	HERCO
30	1, 2, 3, 4, 5, 6	8.N	23.E	36	All	640.00	\$1.75	\$1,120.00	HERCO
31	1, 2, 3, 4, 5, 6	8.N	24.E	16	All	640.00	\$1.75	\$1,120.00	HERCO
32	1, 2, 3, 4, 5, 6	8.N	24.E	36	All	640.00	\$1.75	\$1,120.00	HERCO
33	1, 2, 3, 4, 5, 6	8.N	25.E	16	All	640.00	\$1.75	\$1,120.00	HERCO
34	1, 2, 3, 4, 5, 6	8.N	26.E	14	E2	320.00	\$1.75	\$560.00	HERCO
35	1, 2, 3, 4, 5, 6, 11	8.N	26.E	16	All	640.00	\$1.75	\$1,120.00	HERCO
36	1, 2, 3, 4, 5, 6	8.N	26.E	36	All	590.57	\$1.75	\$1,033.50	HERCO
37	1, 2, 3, 4, 5, 6	8.N	27.E	6	Lots 1, 2, 3, 4	198.98	\$1.75	\$348.22	HERCO
38	1, 2, 3, 4, 5, 6	8.N	27.E	16	All	640.00	\$1.75	\$1,120.00	HERCO
39	1, 2, 3, 4, 5, 6, 7	8.N	27.E	36	All	640.00	\$1.75	\$1,120.00	HERCO
40	1, 2, 3, 4, 5, 6	8.N	28.E	16	N2NW4, SE4NW4, E2, NE4SW4, S2SW4	560.00	\$1.50	\$840.00	PETRO-SENTINEL LLC
41	1, 2, 3, 4, 5, 6	8.N	28.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
42	1, 2, 3, 4, 5, 6	8.N	29.E	16	N2, NW4SE4, N2SW4, SW4SW4	480.00	\$1.50	\$720.00	PETRO-SENTINEL LLC
43	1, 2, 3, 4, 5, 6	8.N	29.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
44	1, 2, 3, 4, 5, 6	8.N	30.E	16	All	640.00	\$1.75	\$1,120.00	ZONE EXPLORATION, INC.
45	1, 2, 3, 4, 5, 6	8.N	30.E	36	All	640.00	\$1.75	\$1,120.00	ZONE EXPLORATION, INC.
46	1, 2, 3, 4, 5, 6	8.N	31.E	1	Lots 1 thru 16	634.80	\$1.75	\$1,110.90	ZONE EXPLORATION, INC.
47	1, 2, 3, 4, 5, 6	8.N	31.E	16	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
48	1, 2, 3, 4, 5, 6	8.N	31.E	20	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
49	1, 2, 3, 4, 5, 6	8.N	31.E	28	N2N2	160.00	\$1.75	\$280.00	ZONE EXPLORATION, INC.
50	1, 2, 3, 4, 5, 6	8.N	31.E	32	E2E2, SW4SE4	200.00	\$1.75	\$350.00	ZONE EXPLORATION, INC.
51	1, 2, 3, 4, 5, 6	8.N	31.E	36	All	640.00	\$1.75	\$1,120.00	ZONE EXPLORATION, INC.
52	1, 2, 3, 4, 5, 6	9.N	24.E	5	Lots 1, 2, S2NE4, S2	480.73	\$1.75	\$841.28	HERCO
53	2, 3, 4, 5, 6, 15	9.N	24.E	16	All	640.00	\$1.75	\$1,120.00	HERCO
54	2, 3, 4, 5, 6, 15	9.N	24.E	36	All	640.00	\$5.00	\$3,200.00	HERCO
55	1, 2, 3, 4, 5, 6, 10	9.N	25.E	12	N2	320.00	\$1.75	\$560.00	HERCO
56	1, 2, 3, 4, 5, 6	9.N	26.E	2	SE4	160.00	\$1.75	\$280.00	HERCO
57	1, 2, 3, 4, 5, 6, 10	9.N	26.E	26	NE4, E2NW4	240.00	\$11.25	\$2,700.00	HERCO
58	1, 2, 3, 4, 5, 6, 10	9.N	26.E	36	All	640.00	\$13.50	\$8,640.00	HERCO

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
59	1, 2, 3, 4, 5, 6	9.N	27.E	6	Lots 4, 5, 6, 7	158.55	\$1.75	\$277.46	HERCO
60	1, 2, 3, 4, 5, 6	9.N	27.E	7	NE4	160.00	\$1.75	\$280.00	HERCO
61	1, 2, 3, 4, 5, 6	9.N	27.E	16	All	640.00	\$11.25	\$7,200.00	PETRO-SENTINEL LLC
62	1, 2, 3, 4, 5, 6	9.N	28.E	3	Lots 1, 2, 3, 4, S2N2, S2	642.08	\$25.25	\$16,212.52	HERCO
63	1, 2, 3, 4, 5, 6	9.N	28.E	16	All	640.00	\$25.50	\$16,320.00	HERCO
64	1, 2, 3, 4, 5, 6	9.N	28.E	36	All	640.00	\$18.00	\$11,520.00	LONGSHOT OIL COMPANY
65	1, 2, 3, 4, 5, 6	9.N	29.E	36	All	640.00	\$6.00	\$3,840.00	ZONE EXPLORATION, INC.
66	1, 2, 3, 4, 5, 6	9.N	30.E	16	N2, N2SE4, SE4SE4	* 440.00	\$1.50	\$660.00	PETRO-SENTINEL LLC
67	1, 2, 3, 4, 5, 6	9.N	30.E	22	W2SW4, SE4SW4	120.00	\$1.50	\$180.00	PETRO-SENTINEL LLC
68	1, 2, 3, 4, 5, 6	9.N	30.E	30	E2	320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
69	1, 2, 3, 4, 5, 6, 7	9.N	30.E	36	Lots 1, 2, NE4, N2SE4	314.39	\$1.50	\$471.58	PETRO-SENTINEL LLC
70	1, 2, 3, 4, 5, 6	9.N	31.E	4	N2	* 320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
71	1, 2, 3, 4, 5, 6, 7	9.N	31.E	16	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
72	1, 2, 3, 4, 5, 6	9.N	31.E	18	Lots 1, 2, 3, 4, E2NW4, NE4SW4	320.60	\$1.50	\$480.90	PETRO-SENTINEL LLC
73	1, 2, 3, 4, 5, 6	10.N	23.E	16	All	640.00	\$18.00	\$11,520.00	PETRO-SENTINEL LLC
74	1, 2, 3, 4, 5, 6	10.N	23.E	36	All	640.00	\$16.00	\$10,240.00	HERCO
75	2, 3, 4, 5, 6, 15	10.N	24.E	16	All	640.00	\$5.75	\$3,680.00	PETRO-SENTINEL LLC
76	1, 2, 3, 4, 5, 6	10.N	24.E	24	SW4	160.00	\$15.50	\$2,480.00	PETRO-SENTINEL LLC
77	1, 2, 3, 4, 5, 6	10.N	24.E	30	SE4	160.00	\$15.75	\$2,520.00	HERCO
78	1, 2, 3, 4, 5, 6	11.N	24.E	17	N2, SW4, W2SE4, SE4SE4	600.00	\$33.00	\$19,800.00	LONGSHOT OIL COMPANY
79	1, 2, 3, 4, 5, 6	11.N	24.E	28	W2W2	160.00	\$16.50	\$2,640.00	HERCO
Pondera									
83	1, 2, 3, 4, 5, 6	30.N	6.W	31	W2SE4	* 80.00	\$111.00	\$8,880.00	MCMINN OPERATING COMPANY
80	1, 2, 3, 4, 5, 6	30.N	6.W	31	Lot 2, SE4NW4	76.51	\$30.00	\$2,295.30	ALTAMONT OIL & GAS, INC.
81	1, 2, 3, 4, 5, 6	30.N	6.W	31	Lots 3, 4, E2SW4	* 152.84	\$35.00	\$5,349.40	ALTAMONT OIL & GAS, INC.
82	1, 2, 3, 4, 5, 6	30.N	6.W	31	NE4	* 160.00	\$105.00	\$16,800.00	ALTAMONT OIL & GAS, INC.
Powder River									
84	1, 2, 3, 4, 5, 6, 7	6.S	53.E	16	All, below the base of the Mowry Shale formation	640.00	\$1.50	\$960.00	TIDEWATER OIL & GAS COMPANY LLC
85	1, 2, 3, 4, 5, 6	7.S	51.E	36	All	* 640.00	\$1.50	\$960.00	ZONE EXPLORATION, INC.
86	1, 2, 3, 4, 5, 6	8.S	52.E	16	All, below the base of the Mowry Shale formation	640.00	\$1.50	\$960.00	TIDEWATER OIL & GAS COMPANY LLC
87	1, 2, 3, 4, 5, 6, 12	9.S	52.E	16	All, below the base of the Mowry Shale formation	640.00	\$1.50	\$960.00	TIDEWATER OIL & GAS COMPANY LLC
Richland									
88	1, 2, 3, 4, 5, 6, 8	22.N	58.E	34	NW4	160.00	\$11.00	\$1,760.00	HEADINGTON OIL COMPANY LLC

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
89	1, 2, 3, 4, 5, 6, 13, 17	22.N	59.E	1	"A" Island, all formations except Madison Pool	41.00	\$51.00	\$2,091.00	HEADINGTON OIL COMPANY LLC
90	1, 2, 3, 4, 5, 6, 13	27.N	59.E	29	Missouri Riverbed and related acreage	10.00	\$80.00	\$800.00	DON H. HEIMMER
91	1, 2, 3, 4, 5, 6, 13	27.N	59.E	30	Missouri Riverbed and related acreage	15.00	\$70.00	\$1,050.00	DON H. HEIMMER
92	1, 2, 3, 4, 5, 6, 13	27.N	59.E	31	Missouri Riverbed and related acreage	175.00	\$10.00	\$1,750.00	DON H. HEIMMER
Rosebud									
93	1, 2, 3, 4, 5, 6	9.N	31.E	12	N2, NE4SW4, N2SE4	440.00	\$16.25	\$7,150.00	PETRO-SENTINEL LLC
94	1, 2, 3, 4, 5, 6	9.N	31.E	36	Lots 1, 2, 3, 4, N2, N2S2	640.00	\$15.50	\$9,920.00	YARDBIRD HOLDING CO., LLC
95	1, 2, 3, 4, 5, 6, 7	9.N	32.E	16	All	640.00	\$24.25	\$15,520.00	PETRO-SENTINEL LLC
96	1, 2, 3, 4, 5, 6	9.N	33.E	6	Lots 1, 2, 3, 4, 5, SE4NW4, S2NE4	316.87	\$1.50	\$475.30	PETRO-SENTINEL LLC
97	1, 2, 3, 4, 5, 6	9.N	33.E	14	E2	320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
98	1, 2, 3, 4, 5, 6	9.N	33.E	16	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
99	1, 2, 3, 4, 5, 6	9.N	33.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
100	1, 2, 3, 4, 5, 6, 10	10.N	31.E	36	All	640.00	\$10.25	\$6,560.00	PETRO-SENTINEL LLC
101	1, 2, 3, 4, 5, 6	10.N	32.E	16	All	640.00	\$17.25	\$11,040.00	PETRO-SENTINEL LLC
102	1, 2, 3, 4, 5, 6, 7	10.N	32.E	30	E2NW4, NE4, E2SE4	320.00	\$15.25	\$4,880.00	PETRO-SENTINEL LLC
Sheridan									
103	1, 2, 3, 4, 5, 6	33.N	56.E	16	W2	320.00	\$65.00	\$20,800.00	KODIAK OIL & GAS (USA) INC.
104	1, 2, 3, 4, 5, 6	35.N	57.E	16	All	640.00	\$16.00	\$10,240.00	RINCON EXPLORATION LLC
105	1, 2, 3, 4, 5, 6	36.N	52.E	5	SW4	160.00	\$31.75	\$5,080.00	EMPIRE OIL COMPANY
106	1, 2, 3, 4, 5, 6	36.N	52.E	6	S2SE4, SE4SW4	120.00	\$31.75	\$3,810.00	EMPIRE OIL COMPANY
107	1, 2, 3, 4, 5, 6	36.N	52.E	7	NE4NW4, NE4	200.00	\$31.75	\$6,350.00	EMPIRE OIL COMPANY
108	1, 2, 3, 4, 5, 6	36.N	52.E	8	NW4	160.00	\$31.75	\$5,080.00	EMPIRE OIL COMPANY
109	1, 2, 3, 4, 5, 6, 8	37.N	55.E	36	All	640.00	\$2.00	\$1,280.00	EMPIRE OIL COMPANY
Teton									
110	2, 3, 4, 5, 6, 8, 16	24.N	5.W	8	N2SE4	80.00	\$4.75	\$380.00	RICHARD M. PADON
111	2, 3, 4, 5, 6, 8, 16	24.N	5.W	9	S2	320.00	\$25.00	\$8,000.00	RICHARD M. PADON
112	2, 3, 4, 5, 6, 16	24.N	5.W	16	All	640.00	\$5.00	\$3,200.00	RICHARD M. PADON
113	2, 3, 4, 5, 6, 16	24.N	5.W	17	N2, S2S2	480.00	\$2.25	\$1,080.00	RICHARD M. PADON
114	2, 3, 4, 5, 6, 16	24.N	5.W	18	Lots 1, 2, E2NW4, SE4	305.44	\$5.00	\$1,527.20	RICHARD M. PADON
115	2, 3, 4, 5, 6, 16	24.N	5.W	20	N2N2	160.00	\$2.25	\$360.00	RICHARD M. PADON
116	2, 3, 4, 5, 6, 16	24.N	5.W	21	N2	320.00	\$2.25	\$720.00	RICHARD M. PADON
117	2, 3, 4, 5, 6, 16	24.N	6.W	10	N2NE4	80.00	\$2.25	\$180.00	RICHARD M. PADON
118	2, 3, 4, 5, 6, 16	24.N	6.W	11	N2N2	160.00	\$2.00	\$320.00	RICHARD M. PADON

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
119	2, 3, 4, 5, 6, 16	24.N	6.W	12	SE4	160.00	\$2.00	\$320.00	RICHARD M. PADON
120	2, 3, 4, 5, 6, 16	24.N	6.W	13	NE4SE4, S2SE4, SW4SW4	160.00	\$2.00	\$320.00	RICHARD M. PADON
121	2, 3, 4, 5, 6, 16	24.N	6.W	24	W2NE4, SW4SW4	120.00	\$2.00	\$240.00	RICHARD M. PADON
122	2, 3, 4, 5, 6, 16	26.N	7.W	11	SW4NW4, NW4SE4, N2SW4 *	160.00	\$41.25	\$6,600.00	LONEWOLF ENERGY, INC.
Toole									
123	1, 2, 3, 4, 5, 6, 8	31.N	4.W	2	SE4	160.00	\$8.50	\$1,360.00	KEESUN CORP.
124	1, 2, 3, 4, 5, 6, 7	31.N	4.W	3	E2SW4	80.00	\$10.00	\$800.00	KEESUN CORP.
125	1, 2, 3, 4, 5, 6, 7, 8	31.N	4.W	10	E2NW4, W2NE4, SE4SE4, NE4SE4	240.00	\$10.00	\$2,400.00	KEESUN CORP.
126	1, 2, 3, 4, 5, 6, 8	31.N	4.W	11	NE4	160.00	\$10.00	\$1,600.00	KEESUN CORP.
127	1, 2, 3, 4, 5, 6	32.N	4.W	36	All	640.00	\$10.00	\$6,400.00	KEESUN CORP.
128	1, 2, 3, 4, 5, 6	33.N	2.W	15	E2, below the base of the Swift formation	320.00	\$1.50	\$480.00	CROFT PETROLEUM CO.
129	1, 2, 3, 4, 5, 6, 7	34.N	2.W	21	SE4NW4, NW4NE4, N2S2, SE4SE4, SW4SW4, below the base of the Rierdon formation	320.00	\$1.50	\$480.00	CROFT PETROLEUM CO.
130	1, 2, 3, 4, 5, 6, 7	34.N	2.W	28	NW4NW4, S2NW4, E2NE4, N2SE4, NE4SW4, below the base of the Rierdon formation	320.00	\$1.50	\$480.00	CROFT PETROLEUM CO.
Treasure									
131	1, 2, 3, 4, 5, 6	7.N	33.E	16	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
132	1, 2, 3, 4, 5, 6	7.N	33.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
133	1, 2, 3, 4, 5, 6	8.N	32.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
134	1, 2, 3, 4, 5, 6	8.N	33.E	2	S2NE4, SE4, E2SW4	320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
135	1, 2, 3, 4, 5, 6	8.N	33.E	6	Lots 6, 7, E2SW4, SE4	319.83	\$1.50	\$479.74	PETRO-SENTINEL LLC
136	1, 2, 3, 4, 5, 6	8.N	33.E	8	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
137	1, 2, 3, 4, 5, 6, 7	8.N	33.E	16	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
138	1, 2, 3, 4, 5, 6	8.N	33.E	17	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
139	1, 2, 3, 4, 5, 6	8.N	33.E	28	S2NW4, S2SE4, SW4	320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
140	1, 2, 3, 4, 5, 6	8.N	33.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
Yellowstone									
141	1, 2, 3, 4, 5, 6, 7	1.N	28.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON
142	1, 2, 3, 4, 5, 6	1.N	28.E	36	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON *
143	1, 2, 3, 4, 5, 6	1.N	29.E	3	S2	320.00	\$1.50	\$480.00	RAYMOND C. MUNSON
144	1, 2, 3, 4, 5, 6	1.N	29.E	4	S2	320.00	\$1.50	\$480.00	RAYMOND C. MUNSON
145	1, 2, 3, 4, 5, 6	1.N	29.E	16	All	640.00	\$1.50	\$960.00	RAYMOND C. MUNSON *
146	1, 2, 3, 4, 5, 6	1.N	29.E	21	S2	320.00	\$1.50	\$480.00	RAYMOND C. MUNSON
147	1, 2, 3, 4, 5, 6	7.N	30.E	13	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
148	1, 2, 3, 4, 5, 6	7.N	30.E	36	All	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
149	1, 2, 3, 4, 5, 6	7.N	31.E	4	Lots 3, 4, S2NW4, S2	490.30	\$1.75	\$858.02	ZONE EXPLORATION, INC.
150	1, 2, 3, 4, 5, 6	7.N	31.E	10	NW4NW4, S2NW4, SW4	280.00	\$1.75	\$490.00	ZONE EXPLORATION, INC.
151	1, 2, 3, 4, 5, 6	7.N	31.E	16	All	640.00	\$1.75	\$1,120.00	ZONE EXPLORATION, INC.
152	1, 2, 3, 4, 5, 6	7.N	31.E	24	E2	320.00	\$1.75	\$560.00	ZONE EXPLORATION, INC.
153	1, 2, 3, 4, 5, 6, 8	7.N	31.E	36	All	640.00	\$1.75	\$1,120.00	ZONE EXPLORATION, INC.
154	1, 2, 3, 4, 5, 6	7.N	32.E	2	Lots 3, 4, S2NW4, SW4	321.89	\$1.75	\$563.31	ZONE EXPLORATION, INC.
155	1, 2, 3, 4, 5, 6	7.N	32.E	16	All	640.00	\$1.75	\$1,120.00	NIGHT TRAIN OIL COMPANY, LLC
156	1, 2, 3, 4, 5, 6, 10	7.N	32.E	36	All	640.00	\$1.75	\$1,120.00	ZONE EXPLORATION, INC.
157	1, 2, 3, 4, 5, 6	8.N	32.E	8	NE4, N2SE4, E2NW4	320.00	\$1.75	\$560.00	YARDBIRD HOLDING CO., LLC
158	1, 2, 3, 4, 5, 6	8.N	32.E	16	All	640.00	\$1.75	\$1,120.00	YARDBIRD HOLDING CO., LLC
159	1, 2, 3, 4, 5, 6	8.N	32.E	18	NE4, E2NW4, N2SE4, SE4SE4	360.00	\$1.50	\$540.00	PETRO-SENTINEL LLC
160	1, 2, 3, 4, 5, 6	8.N	32.E	22	S2	320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
161	1, 2, 3, 4, 5, 6, 9	1.S	29.E	16	NE4, S2	480.00	\$1.50	\$720.00	RAYMOND C. MUNSON
162	1, 2, 3, 4, 5, 6	1.S	29.E	36	N2NE4	80.00	\$1.50	\$120.00	RAYMOND C. MUNSON

Summary by Lessor

Dept of Natural Resources & Conservation

71686.3

162

* Part of all of tract is not state-owned surface

Oil and Gas Lease Sale Summary

Lease Sale Totals

Tracts	162
Acres	71,686.30
Total Bid Revenue	\$398,052.83
Avg Bid Per Acre	\$5.55

Stipulations

1. Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
2. Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

3. The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
4. The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
5. The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
6. If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
7. Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
8. The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
9. No surface occupancy of the communications site(s) or related facilities is permitted without written approval of TLMD.
10. Active sage grouse lek(s) have been identified on or adjacent to this tract. No activities shall occur on the tract until the proposed action has been approved in writing by the Director of the Department. If surface activity is proposed on the tract, the department will consult with the Director of the Department of Fish, Wildlife and Parks for his or her comments, concerns and recommendations. Additional mitigation measures may be required, including no-surface-occupancy buffers and/or timing restrictions, which may encompass part or all of the tract.
11. Any activity within 1/8 mile of the river, flood plain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river or lake/reservoir.
12. Due to the floodplain/wetlands area(s), surface use may be restricted or denied.

Stipulations

13. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
14. No surface occupancy of the cemetery site is permitted without written approval of TLMD.
15. This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

16. This lease is located near the Rocky Mountain Front and includes areas that are environmentally sensitive. Therefore, except as otherwise provided below, the lessee shall not conduct any surface operations on the lease premises. If the lessee determines that surface operation on the lease premises may be required, the lessee shall submit a proposed Operating Plan or Amendment to an existing Operating Plan to the State Board of Land Commissioners describing in detail the proposed operations. No surface activities shall occur on the lease premises unless and until the Operating Plan or Amendment is approved by the Board. In determining whether to approve the proposed Operating Plan or Amendment, the following provisions shall apply:
 - 1) If the lessee proposes an activity that does not entail any significant surface disturbance, the Board may approve the same after completion of the appropriate environmental review in accordance with the Montana Environmental Policy Act (MEPA) and an opportunity for public comment on the proposed activity has been provided.
 - 2) Before the Board approves any proposed activity on the lease premises that entails a significant surface disturbance, an environmental impact statement (EIS) shall be completed in accordance with MEPA. The EIS shall analyze the potential impacts of alternative and future potential levels of oil and gas development and extraction on an ecosystem scale as the ecosystem is defined by the "Limits of Acceptable Change - Bob Marshall Wilderness Complex" adopted by the Montana Department of Fish, Wildlife and Parks in December 1991. The analysis shall consider all relevant information, which may include, but is not limited to, existing environmental reviews and management plans. Public involvement in the environmental review process shall be actively solicited by the preparer of the environmental review document and shall include, at minimum, adequately noticed public meetings in at least three communities including Great Falls and Helena.
 - 3) The proposed surface activity shall adhere to the "Interagency Rocky Mountain Front, Wildlife Monitoring/Evaluation Program, Management Guidelines for Selected Species" adopted by the Montana Department of Fish, Wildlife and Parks in September 1987, or any successor guidelines thereto.
 - 4) The Board may refuse to approve any proposed surface operations if it determines that they do not constitute the best use of trust resources or are not in the best interest of the State of Montana.
17. This lease is subject to the Montana Board of Oil and Gas Conservation's temporary spacing unit, Board Order 1122007.